

Economic Development Program

Sunnyvale is committed to supporting its businesses.

The City of Sunnyvale has an Economic Development Program dedicated to creating a business environment in this community that encourages entrepreneurial activity, fosters innovation, maintains a diversified and broad tax base, and leads to economic prosperity throughout the City.

Sunnyvale has a national reputation for being a business-friendly community.

Over the past few years, the City has changed many of its processes and procedures in order to better accommodate the needs of businesses for services that help them survive and thrive in the dynamic marketplace of the 21st century. Electronic

permits, for example, allow businesses (and residents) to obtain minor permits via the Internet 24 hours a day, seven days a week. Sunnyvale's One-Stop Permit Center that opened in 1984 was revolutionary in its day. Now the City is using the power and versatility of the Internet to streamline the process for plan submittal and review.

City staff work hard to stay knowledgeable about economic trends so that they can anticipate economic changes, develop appropriate community strategies for the current business climate, and proactively support the businesses that financially support and add value to the City.

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City of Sunnyvale Economic Prosperity Report 2000

At the start of the 21st century, the U.S. is enjoying the longest period of economic expansion in American history. Nationwide, unemployment rates are at a 30-year low. Almost every community in the country is enjoying some level of prosperity.

The City of Sunnyvale is no exception. Sunnyvale has shown strong and steady economic growth since 1992. City revenue, much

of which comes from sales tax and other business-related taxes and fees, has increased at an annual rate of 3.7%. The total number of jobs has grown from 71,845 in 1992 to 90,328 at the end of 1999 according to Dun & Bradstreet data. Wages increased by 12.8% and unemployment in July, 1999 was only 2.7%. Taxable sales increased by 6.9%.

Perhaps even more important than these achievements, however, are the encouraging factors for Sunnyvale's future economic health. The City of Sunnyvale is well positioned to continue its economic prosperity well into the 21st century.

prosperity

economic

New economy is reflected in Sunnyvale's business community
America's traditional drivers of the modern economy -- manufacturing, machine tools, construction and retailing -- have been relegated to a second tier in the Information Age that is creating a prototype of a New Economy. The key industries of this New Economy (semiconductors, computers, software, dot-com Internet services, and telecommunications) are well represented in the City of Sunnyvale.

Although the number of manufacturing jobs has steadily declined, manufacturing employment in Sunnyvale is still more than twice the percentage found in Silicon Valley, and three times the rate of the entire state of California. Approximately 44% of the jobs in Sunnyvale remain in manufacturing and most of those are in the high tech sector -- electrical and electronic machinery, semiconductor equipment, instruments, and aerospace. By comparison, jobs related to computer software and data processing grew by nearly 100% between 1992 and 1998. Sunnyvale is fortunate to have a mix of types of businesses and industry segments which will help to protect and stabilize the City as the future unfolds.

Top 10 employment sectors in Sunnyvale [by number of businesses]

1	Business services	15.5%
2	Professional services	8.7%
3	Wholesale trade (durable goods)	6.6%
4	Miscellaneous retail	5.5%
5	Health services	5.3%
6	Personal services	4.7%
7	Restaurants & bars	4.5%
8	Electronic equipment manufacturing	4.5%
9	Real estate	4.1%
10	Construction -- special trades	3.0%

Top 10 employment sectors in Sunnyvale [by number of employees]

1	Business services	14.6%
2	Electronic equipment manufacturing	14.0%
3	Transportation equipment	11.3%
4	Industrial & commercial machinery	6.8%
5	Professional services	6.3%
6	Instruments	5.6%
7	Wholesale trade (durable goods)	4.3%
8	Government	4.3%
9	Restaurants & bars	3.3%
10	Health services	2.6%

- Who are Sunnyvale's corporate citizens?**
- There are approximately 8,000 licensed businesses operating in the City of Sunnyvale -- ranging from one-person firms to major global corporations
 - 97% of Sunnyvale-based businesses have fewer than 100 employees, and the majority have fewer than 25 employees
 - The 3% of the businesses in Sunnyvale that have more than 100 employees account for two-thirds of all of the jobs

- in Sunnyvale. Almost all of the major employers (23 of the largest 26) are high technology companies.
- About 2,500 of Sunnyvale's licensed businesses are home-based enterprises, employing an average of 1.3 persons per business.

Top 10 -- the largest companies in Sunnyvale

1	Lockheed Martin Space Systems
2	Advanced Micro Devices
3	National Semiconductor
4	Philips Semiconductor
5	Amdahl Corporation
6	Maxim Integrated Products
7	Trimble Navigation
8	Westinghouse Electronic Systems
9	TRW/Electro Magnetic Systems
10	Sandisk Corporation

- Businesses see bottom line value in Sunnyvale location**
- "Sunnyvale is a great place to do business" according to 83% of local business leaders queried in a 1999 survey. Respondents said that the "critical mass" of successful businesses in the city was an important consideration in making Sunnyvale a good business location, in addition to these specific pro-business factors:
- Favorable tax environment*
 - Access to important markets & consumers
 - Access to skilled labor, talented knowledge workers and professionals
 - Access to key suppliers and vendors
 - City government's efforts to make Sunnyvale desirable for business

**An annual comparison of the cost of doing business in selected California cities shows Sunnyvale to be one of the lowest cost locations in terms of local taxes and fees.*

Venture capitalists invest in Sunnyvale companies
Investments by venture capitalists in local businesses reached a record \$12.98 billion in the third quarter of 1999, according to Venture Economics and the National Venture Capital Association. All industry segments received increased funding, although Internet-related and communications enterprises got the biggest share (65%).

Sunnyvale-based firms captured 17% of all of the venture capital investments in Santa Clara County in 1999, a significant percentage in a region that is bustling with entrepreneurial activity.

Businesses give more than they receive in Sunnyvale
Sunnyvale's business community contributes approximately 56% of all revenues to the City's General Fund through sales tax, non-residential property tax, transient occupancy tax, utility user tax, permits and license fees. The General Fund pays for most City services used by everyone in the community -- residents

and businesses. It is estimated that only about 25% of the General Fund is spent on services directly benefiting and supporting the businesses located in Sunnyvale. Revenues from businesses help to pay for public safety, parks, street improvements, library and other City services that keep the community safe, pleasant, and attractive.

Many of the businesses located in Sunnyvale also contribute to the community's quality of life through corporate donations (cash, equipment, materials and in-kind services) to civic projects and nonprofit organizations. Businesses also provide volunteers and business acumen to help local groups raise funds, provide services to people in need, and offer children more educational and recreational opportunities.

Construction sets new records
As the economy thrives, real estate development activity in the City of Sunnyvale has also increased. The value of construction during fiscal year 1998-99 was \$268.6 million, about double the construction activity five years ago in fiscal year 1994-95 which tallied \$130.3

million. Projects that are scheduled for construction during fiscal year 1999-2000 are expected to set a new construction record for the City of Sunnyvale. These include several large, multi-story office buildings, the Olson Orchard mixed use (residential and retail) project, new parking garages in downtown Sunnyvale, a new train station, and the major renovations and expansion under way at Town Center Mall.

- Other signs of economic prosperity in Sunnyvale**
- Household median effective buying income 1998 for Sunnyvale was \$55,894 -- the fourth highest in the County
 - Mean household income in the City of Sunnyvale estimated at \$76,600
 - With a population of 132,900 (as of 1/1/99), the City of Sunnyvale is the sixth largest city in all of the Bay Area counties

